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SUBJECT: NEW SARKOZY-MEDVEDEV AGREEMENT: QUESTIONS REMAIN

Classified By: Political Minister Counselor Alice G. Wells for reasons  
1.4(b) and (d)

11. (S/NF) Summary: While achieving some key concessions from Russia on next steps in the Georgia conflict, the Sarkozy-Medvedev agreement from September 8 still leaves open questions about the nature and size of Russian troops, role of EU observers, and the format of October security talks. After contentious talks lasting four hours, the two sides reached agreement on the timing of the withdrawal of Russian forces from Georgia, international observer mechanisms, and the convening of an international conference on security and refugees for October 15 in Geneva. FM Lavrov called for South Ossetia and Abkhazia to participate in the security conference, and announced Russian troops would remain in those areas. Medvedev made clear that Russia would not reverse its recognition of Abkhazia and South Ossetia. Medvedev and especially Putin remain defiant toward the U.S., with Deputy Chief of General Staff General Nogovitsyn alleging U.S. "complicity" in the armed conflict. Pundits claim the September 8 Sarkozy visit a victory for Russia, with the Sarkozy follow-on agreement likely to produce the Cyprus scenario the Russians say they are comfortable with. End Summary

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Tense negotiations  
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12. (U) In their meeting September 8, Presidents Sarkozy and Medvedev discussed their August 12 six-point ceasefire agreement and agreed upon additional points in three areas.

-- Withdrawal of troops. Within seven days, Russia will withdraw its troops from the observation posts between Poti and Senaki, while Russia will within 10 days following the deployment of "international mechanisms" withdraw its peacekeepers from the zones adjacent to South Ossetia and Abkhazia to pre-war positions. The document also calls for the complete return of Georgian armed forces to their bases by October 1, 2008.

-- International observation mechanisms. Both the existing UN and OSCE observer missions will remain, while "at least 200" EU monitors will be deployed by October 1, 2008 in the zones adjacent to South Ossetia and Abkhazia.

-- International discussions. An international conference on Caucasus security will begin on October 15, 2008 in Geneva, devoted principally to security, refugees and internally displaced persons (IDPs). The GOR considers that this conference fulfills the requirements of point six of the Medvedev-Sarkozy plan of August 12, 2008, which calls for international discussions on security and stability arrangements.

13. (S/NF) XXXXXXXXXXXX told DCM that the atmosphere during the negotiations was quite charged and at times became

openly hostile. Sarkozy at one point grabbed FM Lavrov by the lapels and called him a liar in very strong terms, reacting to Lavrov's denial that Russia had failed to comply with its previous withdrawal commitments. XXXXXXXXXXXX said that Sarkozy had arrived with a "take it or leave it attitude, very American in style and very confrontational," and the Russians had responded icily. Levitte played a central role in negotiating the text with Prikhodko, who seemed to be under a lot of pressure and in fairly bad spirits.

¶4. (S/NF) In the end, the French believe they got the best agreement that could be hoped for. XXXXXXXXXXXX said they attribute their success primarily to the Russians being ready to reach such a deal -- and in fact anxious to have it as a way of withdrawing their forces. EU unity and harmony between the U.S. and the EU also played a role; XXXXXXXXXXXX observed that the Russians were clearly conscious that they were facing a united front. Sarkozy reportedly warned Medvedev that Russia's standing as a "serious power" had been severely harmed and failure to meet the obligations Russia is assuming under this agreement could do a great deal of further damage.

¶5. (S/NF) XXXXXXXXXXXX added that the Russians treated Barroso harshly and condescendingly, and tried to exclude him from many of the sessions. The French attributed this to the Russian view that Barroso is basically a glorified international civil servant "not worthy to be in the Czar's XXXXXXXXXXXX confirmed that Putin was nowhere to be seen during the visit.

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¶6. (SBU) In their joint press conference after the meeting, Medvedev contrasted the EU and U.S. roles, calling the EU "our natural partner, our key partner," and welcoming the EU approach as "balanced," while contrasting it to "exotic or extremist" positions calling for sanctions. He again accused the U.S. of blessing Georgia's desire to use force in the conflict, whether by "direct order or silent approval," and used this purported U.S. behavior as a reason to call for a new world order. Medvedev made clear that Russia would not reverse its recognition of Abkhazia and South Ossetia.

¶7. (SBU) Sarkozy in turn renewed the EU's rejection of Russia's recognition of South Ossetian and Abkhazian independence, and at times seemed amused when he thanked Medvedev for speaking as the "representative of the European position" on Georgia, and again later when he questioned Russia's right to "determine Georgia's borders."

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Ambiguities remain  
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¶8. (C) By fixing a timeline for withdrawal, the agreement succeeds in rendering obsolete Sarkozy's August 14 clarifications to the August 12 points, to which the GOR maintained it had never agreed. However, the September 8 agreement leaves open several points that are unclear or contentious. The number and nature of Russian troops remaining in South Ossetia and Abkhazia is not specified. Late September 9, Medvedev declared that Russia would keep 7,600 troops in the two zones; 3,800 in each area. The Sarkozy agreement appears to accept Russian conditionality that EU observers be limited to the areas "adjacent" to the conflict zones. The nature of the international discussions leaves the precise format of the talks open, not clarifying if Russia will participate as a mediator or as one of the conflict parties, whether and in what capacity Abkhazia and South Ossetia will participate, and what the precise goals of the talks are. Finally, while Sarkozy gave Medvedev a non-use of force statement signed by Saakashvili, the document has no legally binding effect, and it is unclear whether there will be an effort to make it legally binding.

¶9. (C) Following Sarkozy's departure, FM Lavrov used a press conference on September 9 to clarify that Russian troops (not peacekeepers) would remain in South Ossetia "for a long

time," ostensibly to protect the residents there from Georgian aggression. On the EU observers, he said their role would be to guarantee that Georgia would not use force against South Ossetia and Abkhazia. On the international discussions, he demanded that South Ossetia and Abkhazia be given a seat at the table as full-fledged participants.

¶10. (U) Ambassadors and Defense Attaches were invited to a briefing by Ministry of Defense spokesman General Anatoliy Nogovitsyn September 9. Despite a standing-room only attendance Nogovitsyn disappointed the diplomatic corps by simply rehashing Russian arguments used to justify Russia's actions in Georgia, highlighting the history of the agreements authorizing Russian peacekeeping forces and the chronology of events from August 6-10. He noted that in response to a Georgian request, the U.S. had quickly helped withdraw Georgian troops from Iraq and transported them to Georgia. By helping Georgia, the U.S. had "set a precedent of complicity" in the armed conflict, he claimed. Nogovitsyn also showed alleged Georgian plans of attack for Abkhazia which Russian forces had "recovered," arguing that they showed that Georgia had planned to occupy all of Abkhazia, target hospitals and civilian infrastructure, prevent refugees from fleeing, etc. He claimed they showed an "explicit manifestation of genocide." He said that as of September 9, Russia had 2452 peacekeepers in the conflict zone. He summarized the plan agreed by Sarkozy and Medvedev September 8, only noting that Russia expected the EU to send "at least 250" observers.

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Russia defiant; Tandemocracy watch  
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¶11. (C) XXXXXXXXXXXX claimed that the EU observer mission, limited to Georgia proper, was a diplomatic success for Russia, even though the GOR on the eve of the Sarkozy-Medvedev meeting had categorically refused to allow EU observers to participate in the post-crisis management. XXXXXXXXXXXX considered the Sarkozy-Medvedev deal the most likely compromise, and the maximum that either side could expect. He called the agreement on Russian troop withdrawal something

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that Moscow needed, in order to escape continued international pressure for not honoring its commitments.

¶12. (C) Well-connected editors tell us that the mood within the ruling circles remains defiant. XXXXXXXXXXXX both XXXXXXXXXXXX and XXXXXXXXXXXX separately told us September 8 that they had seen Putin "at his toughest." Putin brushed aside the significance of any Western backlash to Georgia: on the Sochi Olympics, "let them cancel it: we'll build one stadium instead of two;" on energy, "we'll sell Central Asian gas to those who want it, including Asia;" on estrangement with Europe, "don't worry, European leaders tell me that everything will be normal." If the West did not want Russia, Russia did not need the West, Putin repeated. "They cannot intimidate us." At the same time, XXXXXXXXXXXX stressed that Putin did not advocate a preemptively punitive response and specifically demurred from pulling Russian investments from Fannie Mae and Freddie Mac, arguing that the markets needed more, not less, predictability. Putin maintained that Russia wanted to be like China -- to "sit under the roots of the tree" and build its power quietly -- but that immediate global responsibilities forced it to act. "When Russia is challenged, it must respond: we cannot just concede." XXXXXXXXXXXX told us that the leadership continued to brush aside the market's punishment of Russian policies, arguing that they believe the public line that America's downturn -- and not Georgia -- has precipitated Russia's beating.

¶13. (C) The public allegations made by Medvedev and Putin that the U.S. turned a blind eye to, or encouraged, Georgia's August 7 attack on Tskhinvali continue to be reinforced in private. Putin told the editors that the U.S. was engaged in cynical electoral politics and needed to create an "enemy" to

combat, and received no push back in his description of a one-sided U.S. policy aimed at shoring up the "puppet," Saakashvili. There was also no argument with Putin's assessment that the Georgian leader was politically "dead," likely insane, and irrelevant to Russia's decision to recognize South Ossetia and Abkhazia. XXXXXXXXXXXXX marveled at Putin's posture, noting the Prime Minister was "convinced that right was on his side," and authoritarian in tone. XXXXXXXXXXXXX, warned us that Russian actions were animated by a wave of patriotism and anti-American sentiment. "Never have Russians been so united behind Putin and Medvedev" a stance made easier, he noted, by the public revulsion towards Saakashvili, which he shared.

¶14. (C) In assessing the ruling tandem, XXXXXXXXXXXXX stressed that "Putin had proved himself" in the crisis; while discounting the theory that the Prime Minister intended to return to the Kremlin soon, XXXXXXXXXXXXX said the war in Georgia made it absolutely clear that Putin did not intend to leave Medvedev alone. While XXXXXXXXXXXXX downplayed the demise of Medvedev's reform agenda, he agreed that it had been put to the side. XXXXXXXXXXXXX struck a more pessimistic note, arguing that the war played to the strengths of the anti-war camp. Russians looked at U.S. statements and concluded that America was uncomfortable with Russian independence and hostile to Russian strategic interests. XXXXXXXXXXXXX argued that having "surrounded" Russia, the U.S. should understand the backlash that it produced.

¶15. (C) XXXXXXXXXXXXX told us on September 9 that the President had emerged stronger because of the Georgian crisis. Whereas Putin appeared to take the lead during the fight, Medvedev showed his mettle by arranging the terms to stop the conflict. The decision to recognize the separatist regions was "unavoidable" after the leadership had decided to go beyond the borders of South Ossetia (a decision that XXXXXXXXXXXXX linked to Putin's personal enmity for Saakashvili) and underscored that Moscow could not backtrack on that decision. Medvedev was apparently comfortable with the state of affairs XXXXXXXXXXXXX noted that Medvedev looked "relaxed" during a private dinner at Sochi on September 2. For the time being, XXXXXXXXXXXXX saw Medvedev as somewhat boxed in and forced to take a more aggressive, "emotional" public stance than his usual lawyerly approach to policy. In the current Russian political environment, any effort at taking a "softer approach" would only make him appear weak.

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Comment  
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¶16. (C) The September 8 Sarkozy-Medvedev document is a step

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forward in setting clear deadlines for Russian troop withdrawal. However, the limits on the EU observer mission, as well as questions about the October 15 security conference, and Medvedev's insistence that Russia will not reverse its decision on recognition, presage the likelihood of a new "Cyprus-like" frozen conflict in the Caucasus.  
BEYRLE